

Instructions For Form 6300 2012 Alaska Incentive Credits

WHAT'S NEW

Form 6300 is a new form, designed to account for all Alaska incentive credits available under Alaska law. This form orders the credits and limits each credit, as required by law. This form also accounts for refundable credits. Form 6300 is required to be filed whenever Alaska incentive credits are claimed on Form 611, 611SF, or 650.

GENERAL INSTRUCTIONS

Purpose of Form

Form 6300 orders and limits Alaska incentive credits, based on tax liability. This form is required if such credits are to be claimed on Form 611, 611SF, or 650.

Form 6300 is not required to be filed when creditable activities are reported by a partnership filing Form 6900.

Other Related Forms

Alaska Incentive Credits

To claim Alaska incentive credits on Form 6300, you must also attach specific supplementary credit forms as follows:

- Gas exploration and development tax credit (AS 43.20.043)..... Form 6320
- Income tax education credit (AS 43.20.014) Form 6310
- Exploration incentive credit (AS 43.20.044) Form 665
- Veteran employment tax credit (AS 43.20.048) . Form 6325
- Gas storage facility tax credit (AS 43.20.046) ... Form 6321
- LNG storage facility credit (AS 43.20.047)..... Form 6323

To claim the veteran employment tax credit, you must maintain certain records, including properly completed Form(s) 6326 Certificate of Qualifying Veteran. See Form 6326 and related instructions. Do not send in Form 6326 with your tax return.

To claim the film production tax credit, you must attach the original tax credit certificate issued by the Department of Revenue (DOR).

Federal-based Credits

You may be eligible to claim certain federal-based credits, based on Alaska's adoption of the Internal Revenue Code under AS 43.20.021. These credits are claimed on Alaska Form 6390 Federal-based Credits. See Form 6390 and related instructions. Passive activity credit limitations are calculated on an as-if Alaska basis, using Alaska Form 6395 Passive Activity Limitation.

If You Need Help

If you have questions, need additional information or require other assistance, see our web-site at www.tax.alaska.gov, or call:

Juneau: 907-465-2320
Anchorage: 907-269-6620

Complete Form 6300 to claim any Alaska incentive credit on the corporation's net income tax return (Form 611, 611SF, or 650).

Form 6300 accounts for all Alaska incentive credits, including the income tax education credit, the film production tax credit, and various exploration credits. The form also accounts for any

refundable credits. The credits are grouped on Form 6300 and then carried to, and claimed on, lines 7, 8, or 12 of the corporation net income tax return (Form 611, 611SF, or 650). This grouping is necessary because of certain reporting requirements imposed on the DOR.

In general, Alaska incentive credits may be used to offset the general Alaska income tax imposed under AS 43.20.011, as well as the Alaska alternative minimum tax (Alaska AMT) and certain other taxes imposed through Alaska's adoption of the Internal Revenue Code. The exception is the gas exploration and development tax credit (AS 43.20.043) which may only be used to offset the general Alaska income tax; it may not be used to offset other taxes.

Credits Originating From A Partnership

A corporation may claim Alaska incentive credits generated by a partnership in which the corporation is a partner. The partnership is required to report the partner's share of any credits on Form 6900, Schedule K-1. In order to claim the credit and offset Alaska income tax, the taxpayer will include the creditable amounts shown on the Schedule K-1 on the applicable line of Form 6300. For example, a corporation will include on Form 6300, line 8 (income tax education credit) its share of the credit shown on Form 6900, Schedule K-1, line 12.

Carryforward Of Unused Credit

Certain credits may be carried forward if the credits cannot be used because of the tax liability limitation, as shown below.

Credit	Alaska Statute	Carryforward Period
Gas exploration and development tax credit	AS 43.20.043	5 tax years
Exploration incentive credit	AS 43.20.044	15 years
Veteran employment tax credit	AS 43.20.048	No limit
Film production tax credit	AS 43.98.030	No limit

Form 6300 is required to be filed to claim credits generated in an earlier year. Form 6300 must be accompanied by a schedule for each credit, showing the amount of credit generated and used, by year.

Refundable Credits

The gas storage facility tax credit (AS 43.20.046) and the LNG storage facility credit (AS 43.20.047) are refundable under certain conditions. If the credit exceeds the taxpayer's tax liability, the DOR may refund the excess credit, subject to legislative appropriation.

SPECIFIC INSTRUCTIONS

Line 2a: Enter the amount of gas exploration and development tax credit generated in the current year from Form 6320, line 4.

Line 2b: Enter the amount of gas exploration and development tax credit carried from a previous year. You must attach a schedule showing the credit generated and used, by year, and by company.

Line 11: Enter the amount of exploration incentive credit from Form 665, line 9.

Line 14a: Enter the amount of veteran employment tax credit generated in the current year from Form 6325, line 5 as of this publication date.

Line 14b: Enter the amount of veteran employment tax credit carried from a previous year. You must attach a schedule showing the credit generated and used, by year, and by company

Line 17: Enter amount from film production tax credit certificate issued by the DOR. You must attach the original certificate to the tax return.

Line 18: This is the film production tax credit allowable against current tax. Enter the amount from line 18 on Form 611, 611SF, or 650, Schedule A, line 7.

Line 22: This line summarizes refundable credits allowable, subject to legislative appropriation. Add lines 20-21, and enter the amount on line 22 and on Form 611, 611SF, or 650, Schedule A, line 12.

Line 23: This is the current tax remaining after application of Alaska incentive credits, against which federal-based credits may be allowed. See Form 6390 Federal-based Credits, and related instructions.

Part II: This part summarizes (non-refundable) Alaska incentive credits allowed in the current year, except the film production tax credit which is separately reported. (See instructions for line 18 above.)

Line 29: Enter the total of lines 24-27 on line 29 and on Form 611, 611SF, or 650, Schedule A, line 8